

INDUSTRY:
Manufacturing**SOLUTION:**
SafetyDNA® for Leaders

Does Leadership Matter in Reducing Accidents?

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THE SITUATION

Making the workplace safer and reducing accidents at work is typically considered to be a top priority by both employees and management. Beyond the obvious reasons associated with minimizing the often debilitating injuries and psychological trauma that accidents cause, there are bottom-line reasons for improving safety.

For instance, according to the Occupational Health and Safety Administration (OSHA), indirect costs of incidents are 1 to 5 times higher than direct costs associated with every incident. OSHA also estimates that for every dollar spent on medical expenses for a workers' compensation claim, an additional \$4 for indirect workers' compensation costs is incurred. Additionally, for every dollar of disability (lost time) expenses paid for a workers' compensation claim OSHA estimates an additional \$2 to \$10 is incurred in indirect workers' compensation costs.

Considering that in 2015, the average workers' compensation claim was \$36,894, the total cost (direct and indirect) could easily be over \$200,000. If that organization runs at a 10% profit margin, it would need \$2 million to offset those costs.

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Now, imagine that you are in an industry that has higher than average "exposures" to dangerous events. For instance, what if you were one of the world's largest manufacturers of explosives? Those explosives are used predominantly in the mining industry. As can be expected, the manufacturing and deployment of explosives provides numerous opportunities for catastrophic injury. This particular organization works aggressively to reduce exposures and create a safety culture.

As part of their ongoing commitment to improving the safety for all of their employees, they decided to implement a global process for developing front line leaders. They identified that front line leaders play a key role in accident prevention and promoting a safety culture.

THE SOLUTION

The organization turned to Select International to create a customized solution for assessing and developing current leaders' safety leadership capabilities and potential. Select International customized a solution that has come to be known as SafetyDNA® for Leaders. It incorporates aspects of Select International's existing assessment for front line leaders, the Select Assessment® for Leaders and Professionals and a tailored safety component that focused on beliefs regarding safe behavior, risk taking, and even ethical decision making.

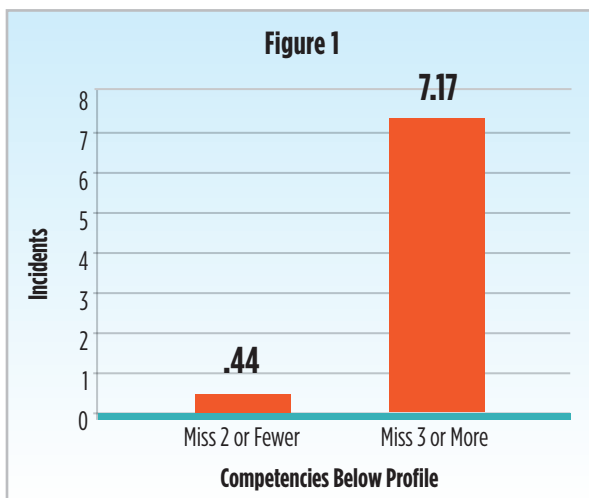
As a first step in the implementation of the new assessment, a pilot study was conducted in Sweden. The organization kept records for their production leaders and supervisors on the number

of documented safety incidents that occurred on a yearly basis between 2000 and 2008. Incidents fell into four major categories:

- General learning incidents
- Minor incidents
- Recordable incidents
- Fire or explosion incidents

OUTCOMES

Based on an analysis of the job, a profile was established for SafetyDNA for Leaders. There are 11 competencies in the assessment and a minimum score was established for each of them that helped define a “footprint” or “profile” for successful leaders. A group of 43 current leaders took the assessment. The results indicated that the majority of the competencies and the overall footprint were related to actual incidents. Additionally, when the profile was applied to this group, the results were startling (see Figure 1).



On average, leaders who missed two or fewer competency minimums had 0.44 incidents in their group per year. Leaders who missed three or more of the competency minimums had, on average, 7.17 incidents per year.

Leaders who did poorly on the SafetyDNA for Leaders Assessment had over **16 times more incidents** per year than those who did well.

Applying the OSHA estimates of the costs of incidents to these numbers would result in millions of dollars annually of direct and indirect costs for those leaders who perform poorly on the SafetyDNA for Leaders assessment.

There are many factors that go into creating a safe work environment and a culture of safety. One of those factors is clearly the attitudes and behaviors of the front line leaders. The results of this study clearly indicate that the differences are real and that safe leaders can be accurately assessed and selected.